

**MINUTES**  
**MICHIGAN STATE TRANSPORTATION COMMISSION MEETING**  
**July 26, 2007**  
**Lansing, Michigan**

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present:                Ted B. Wahby, Chair  
                             Linda Miller Atkinson, Vice Chair  
                             James S. Scalici, Commissioner  
                             Maureen Miller Brosnan, Commissioner

Also Present:        Kirk T. Steudle, Director  
                             Larry Tibbits, Chief Operations Officer  
                             Frank E. Kelley, Commission Advisor  
                             Marneta Griffin, Commission Executive Assistant  
                             Jerry Jones, Commission Auditor, Office of Commission Audit  
                             Patrick Isom, Attorney General's Office, Transportation Division  
                             John Friend, Bureau Director, Highway Delivery  
                             John Polasek, Bureau Director, Highway Development  
                             Myron Frierson, Bureau Director, Finance and Administration  
                             Ron DeCook, Director, Office of Governmental Affairs  
                             Bill Shreck, Director, Office of Communications  
                             Tim Hoeffner, Administrator, Intermodal Policy  
                             Sharon Edgar, Administrator, Bureau of Passenger Transportation  
                             Melvin Williams, Administrator, Freight Services and Safety Division

Excused:              James R. Rosendall, Commissioner

A list of those people who attended the meeting is attached to the official minutes.

Chair Wahby called the meeting to order at 9:15 a.m. in the Bureau of Aeronautics Auditorium in Lansing, Michigan.

Chair Wahby announced that due to fog in the Upper Peninsula, Commissioner Atkinson currently is enroute to the meeting. **Until her arrival no votes will take place;** the Commission will only hear and discuss the agenda items with voting taking place after her arrival.

**Chair Wahby adjourned the meeting at 9:56 a.m. pending the arrival of Commissioner Atkinson.**

**Chair Wahby reconvened the meeting at 10:39 a.m.** Commissioner Atkinson stated that any questions she had had already been answered by Mr. Frierson and she was prepared to vote.

I. **COMMISSION BUSINESS**

**Commission Minutes**

**Upon arrival of Commissioner Atkinson:**

Chair Wahby entertained a motion for approval of the minutes from the State Transportation Commission meeting of June 28, 2007.

Moved by Commissioner Brosnan, with support from Commissioner Atkinson, to approve the minutes of the Commission meeting of June 28, 2007. Motion carried.

II. **DIRECTOR'S REPORT – DIRECTOR KIRK T. STEUDLE**

Director Steudle's presentation focused on:

**Local Jobs Today**

Completed Local Jobs Today Projects include the Verona Road project (a road resurface), and Raymond Road to 11 Mile Road (paved 6' shoulders in Calhoun County). By accelerating projects, about 100 people were put to work who would not have been working otherwise.

These amounts have been approved and include all applications that have been accepted: CRAM, FY 2006 - \$4,958,032 and FY 2007 - \$38,660,800; MML, FY 2006 - \$4,729,375 and FY 2007 - \$29,012,522; MML and CRAM, FY 2006 - \$9,687,407 and FY 2007 - \$67,673,322 (total - \$77,360,729). Some of these applications have not had any activity yet. The total construction cost for these projects is \$484,676,584. The number of accepted applications with activity is: MML 108 out of 147 and CRAM 141 out of 205.; accepted applications with no activity is: MML 132 out of 169 and CRAM 175 out of 239.

The extension of the Local Jobs Today will enable some High Priority Projects and projects originally scheduled for FY 2009 and beyond to still take advantage of the program when they may have missed the deadline otherwise. The extension will also allow any unused funding for projects scheduled to be advanced from FY 2008 to FY 2007 to be redistributed to other local projects. The extension will also allow MDOT and the contracting community the ability to spread out the volume of work over several months rather than have one very large letting at the end of the program.

Director Steudle asked for questions.

Commissioner Brosnan asked, regarding the 132 out of 169 applications, what that number represented.

Director Steudle answered that there were more than 169 applications; 132 of them (out of about 350) were determined to have no activity in moving them forward.

Commissioner Brosnan asked if we are expecting that there will be activity on those projects.

Director Steudle answered that we are hoping so. We are continuing the conversation back and forth with all of these projects to see where they are at. The ones where the local units of government say they just aren't going to make use of the funds are the ones we end up pulling back in and redistributing the money into other projects within the program.

No other questions were forthcoming.

### III. **RESOLUTIONS**

#### **Resolution of the State Transportation Commission Authorizing Notice of Revision of a Project List, State Trunk Line Fund Bonds Series 2004 – Myron Frierson**

This resolution authorizes the notice of revision of the project list previously adopted by the State Transportation Commission. The project list was previously revised on January 26, 2006. Upon approval by the Commission, this resolution will be transmitted to the Legislature for the required 30-day notification period. We will provide you with the final resolution amending the project list at the regular September 27, 2007 Commission meeting.

The original authorization was for a maximum of \$480 million, with \$185 million issued in 2004 and \$244 million issued in 2006. Project bond amounts have been updated to reflect current estimates (\$12.9 million). Attached is Exhibit V that contains the revised project list.

Mr. Frierson asked for questions and a roll call vote approving this authorizing resolution; no questions were forthcoming.

Chair Wahby entertained a motion to approve the Resolution Authorizing Notice of a Project List, State Trunk Line Funds Bonds Series 2004. Motion was made by Commissioner Brosnan and supported by Commissioner Scalici to approve the resolution. Mr. Kelley called the roll; all answers were affirmative. Motion carried on a unanimous roll call vote.

#### **Resolution of the State Transportation Commission Authorizing Notice of Revision of a Project List, Comprehensive Transportation Bonds Series 2003 – Myron Frierson**

This resolution authorizes the notice of revision of the project list previously adopted by the State Transportation Commission. The project list was previously revised on June 30, 2005. Upon approval by the Commission, this resolution will be transmitted to the Legislature for the required 30-day notification period. We will provide you with the final resolution amending the project list at the regular September 27, 2007 Commission meeting.

The bond proceeds are invested by the State Treasury and we have accrued \$2.5 million in interest earnings. We are requesting that \$1.5 million of that be allocated toward local public transportation programs, and \$1 million be allocated toward aviation to do a major overhaul on the 1982 King Air. Amending the project list will allow interest earnings on the bond proceeds to be expended on projects. Additionally, some changes have been

made to the project list to better address the program needs. Attached is Exhibit X that contains the revised project list.

Mr. Frierson asked for questions and a roll call vote approving this authorizing resolution; no questions were forthcoming.

Chair Wahby entertained a motion to approve the Resolution of the State Transportation Commission Authorizing Notice of Revision of a Project List, Comprehensive Transportation Bonds Series 2003. Motion was made by Commissioner Scalici and supported by Commissioner Brosnan to approve the resolution. Mr. Kelley called the roll; all answers were affirmative. Motion carried on a unanimous roll call vote.

Resolution of the State Transportation Commission Authorizing Notice of Revision of a Project List, Jobs Today Program – Myron Frierson

This resolution authorizes the notice of revision of the project list previously adopted by the State Transportation Commission. The project list was previously revised on July 27, 2006. Upon approval by the Commission, this resolution will be transmitted to the Legislature for the required 30-day notification period. We will provide you with the final resolution amending the project list at the September 27, 2007 Commission meeting.

This funding is on the States' portion of the Jobs Today Program. The Commission authorized a maximum of \$630 million to fund this program and to help launch high priority projects (HPP). There are some projects on the list that we have chosen to use other funding on, i.e., Build Michigan III bond proceeds will be used for the Saginaw County I-75 (Birch Run Creek to Bridgeport rehabilitation/reconstruction) project. All together there is a net reduction in the project bond list of \$193 million. Project bond amounts have been updated to reflect current estimates. Attached is Exhibit Y which contains the revised project list.

Mr. Frierson asked for questions and a roll call vote approving this authorizing resolution; no questions were forthcoming.

Chair Wahby entertained a motion to approve the Resolution Authorizing Notice of a Revision of a Project List, Jobs Today Program. Motion was made by Commissioner Brosnan and supported by Commissioner Atkinson to approve the resolution. Mr. Kelley called the roll; all answers were affirmative. Motion carried on a unanimous roll call vote.

Resolution of State Transportation Commission Authorizing Notice of Revision of a Project List, Comprehensive Transportation Bonds Series 2002B – Myron Frierson

This resolution authorizes the notice of revision of the project list previously adopted by the State Transportation Commission. The project list was previously revised in April 2003, May 2005, and June 2006. Upon approval by the Commission, this resolution will be transmitted to the Legislature for the required 30-day notification period. We will provide you with the final resolution amending the project list at the regular September 27, 2007 Commission meeting,

We are requesting programming of accumulated interest at \$8.3 million (including increases for local public transportation \$5.9 million, and railroad track rehabilitation \$1.4 million). Amending the project list will allow interest earnings on the bond proceeds to be expended on projects. Additionally, some changes have been made to the project list to better address the program needs. Attached is Exhibit Z that contains the revised project list.

Mr. Frierson asked for questions and a roll call vote approving this authorizing resolution; no questions were forthcoming.

Chair Wahby entertained a motion to approve the Resolution Authorizing Notice of Revision of a Project List, Comprehensive Transportation Bonds Series 2002B. Motion was made by Commissioner Scalici and supported by Commissioner Brosnan to approve the resolution. Mr. Kelley called the roll; all answers were affirmative. Motion carried on a unanimous roll call vote.

#### IV. **OVERSIGHT**

##### Commission Agreements (Exhibit A) – Myron Frierson

Mr. Frierson stated that information on 103 agreements has been given for review. Pending any questions, Mr. Frierson asked for approval of Exhibit A; none were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Atkinson to approve Exhibit A. Motion carried on a unanimous voice vote.

##### Bid Letting Pre-Approvals (Exhibit A-1) – Myron Frierson

Mr. Frierson gave a brief re-cap of the July 2007 bid letting activities: 37 State projects with total engineers' estimates of \$41.2 million were let. The low bids announced on these projects totaled \$43.6 million. The average low bid for the 37 State projects let was \$1.2 million. There are nine State projects with total low bids of \$13.3 million that are TBA. All bids were rejected on one State project with the engineers' estimate of \$0.15 million and the low bid of \$2.5 million. Six of the State projects let had warranties, with low bids totaling \$20.3 million. e-Proposals were provided for 36 of the 37 State projects let. In July 2006, 25 State projects were let with low bids totaling \$23.7 million, an average of \$0.9 million. The State low bids for year to date FY 2007 totaled \$902.9 million compared to \$663.6 million for the same period in FY 2006.

As of October 23, 2006, it was estimated that 407 State projects with construction costs totaling \$905.8 million would be let during the 2007 fiscal year. Through July of this year, 379 State projects with engineers' estimates of \$920.9 million were let, representing 101.7% of the total amount projected to be let this fiscal year. In comparison, through July 2006, 398 projects with total engineers' estimates of \$693.0 million were let, representing 62.6% of the FY 2006 projection. The department's letting schedule is proceeding as planned. Through July 2007, 112.5% of the construction cost estimate of projects scheduled for the first ten months of the year was let. In comparison through

July 2006, 100.4% of the construction cost estimate of projects scheduled for the first ten months of the year was let.

Director Steudle interjected that other states are pleased if they can actually bid and award 60-70% of what they say they're going to do. It shouldn't go unnoticed that these folks have been able to deliver on what they said they would. It is a big accomplishment and task to push a billion dollars worth of projects through the design process and into the construction agreements.

There are 36 State projects with engineers' estimates totaling \$31.9 million scheduled to be let on August 3, 2007. Four of these items have warranties. Of all the items scheduled to be let, thirty-three include work in the Jobs Today, Jobs Tomorrow program. Total projects are 105. This time of year a majority of our projects would be local related at an estimated value of \$78 million. In Exhibit A-1 there are 43 projects that need Commission approval. Pending any questions, Mr. Frierson asked for approval of Exhibit A-1; none were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Scalici to approve the August bid letting. Motion carried on a unanimous voice vote.

Letting Exceptions Agenda (Exhibit A-2) – John Polasek

Mr. Polasek reported on 4 items (3 State projects, 1 Local project) that were at least 10% over/under the engineers' estimates, and accompanied by a justification memo:

Proposal 0707001 (rehabilitation of 12 structures on I-94 from Second Avenue northerly to French Street, Wayne County) is just barely over the estimate at 10.41%. This element of the Gateway project is on an expedited schedule.

Proposal 0707056 (1.76 miles of hot mix asphalt cold milling and resurfacing, lop ramp construction, clearing, drainage, signing and sign truss erection on US-31...in the city of Norton Shores, Muskegon County) is over the estimate at 15.20%, and includes a 5 year materials and workmanship pavement warranty. Whenever you do a city job there is a lot of coordination involved.

Proposal 0707088 (0.27 miles of concrete exit ramp and service drive reconstruction, curb and gutter, aggregate base, sub base...in the city of Detroit, Wayne County) is over the estimate at 11.17%.

Proposal 0707023 (0.26 miles of hot mix asphalt reconstruction, water main, sanitary sewer, storm sewer replacement...in the city of St. Joseph, Berrien County) is over the estimate at 14.17%.

Pending any questions, Mr. Polasek asked for approval of Exhibit A-2; none were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Scalici to approve Exhibit A-2. Motion carried on a

unanimous voice vote.

Contract Adjustments (Exhibit B) – John Friend

Mr. Friend introduced Ken Koepkey who is a recent graduate of Michigan Tech and a new engineer hire with MDOT.

The Department finalized out at about \$50 million for the month of June; this is about 6% over what was originally estimated. Through July 2007 (on the Five Year Summary) there was about \$418 million finalized out at about 3.8%.

There are 9 MDOT and 2 Local projects before the Commission.

Mr. Friend made special mention of Extra Item 2007-99 (5.00 miles of freeway reconstruction...in the cities of Southfield and Detroit, Oakland and Wayne Counties. This project includes a 5 year materials and workmanship pavement warranty, and a 2-year bridge painting warranty). The bulk of the additional dollars that are being requested is for the extra work required to remove the overhanging concrete slab. This was not missed during the design phase, but the thought was do they concentrate on simply trying to chip away and repair the overhang and the wall as opposed to having to go in and replace it. The engineer directed the contractor to complete the removal only of the overhanging slab.

Commissioner Brosnan asked if this is the last change we would see regarding this project or if it would come back again.

Mr. Friend answered that the money being asked for is the bulk of what's necessary. There may be a slight adjustment to that amount based on closeout work that they have to do, so it may be back again but it won't be for nearly the extent of what you see.

Commissioner Scalici asked if, when bidding on these projects, could you go in and inspect that—do a sample area so that you could get more accurate information to make a determination early on.

Mr. Friend answered that to the design phase we should go in and do some exploratory chipping. In this case they had the service drive that they were trying to concentrate the bulk of their resources on. Sometimes in the design phase you are hesitant to start doing a lot of exploration because then you have to solve that problem right then.

Director Steudle added that you could end up spending a lot of resources—not particularly in this instance, but that's always the fine line between how perfect do you make a set of plans and how much does it cost you to get them perfect, versus what it costs you to get them 98% perfect and then deal with the 2% that's not perfect.

Mr. Friend also made mention of Extra Item 2007-101 (0.64 miles of hot mix asphalt construction...on US-127BR, Isabella County. This project includes a 5 year materials and workmanship pavement warranty). Although we are asking for \$246,000, roughly half of that (\$133,000) is going to be 100% participation by the County. During the design phase, it was anticipated that Isabella County would be building a project next to

this one and our drainage facilities would hook into the counties. The county project did not move forward past the design phase and the required drainage facilities were added to this MDOT project.

Pending any further questions, Mr. Friend asked for approval of Exhibit B; none were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Atkinson to approve Exhibit B. Motion carried on a unanimous voice vote.

V. **PRESENTATIONS**

**Transportation Asset Management Council 2008 Amended/2009 Approved Budget – Bob Slattery, Vice Chair**

The amendments are primarily to bring us more in line with the desires and goals of the Transportation Commission. As noted in the Annual Report, more emphasis is being put on education and training, as well as a stronger focus on preservation activities that are being pursued. The budget was reduced, increased and revised in various ways:

**Training:** Has been substantially increased.

**Meetings:** Budget is based upon the current rates for breakfast and lunch.

**Travel:** Covers Council members travel for meetings and staff travel expenses for meetings and training.

**Office Supplies/Printed Materials/Postage:** We have combined the postage line item with the supply line item.

**Manuals/Subscriptions/Publications:** We have not spent money on publications for several years so we are eliminating this category.

**Data Collection: Federal-Aid Eligible:** Increased by about \$50,000 over 2007 to reflect potential increases in the cost of gasoline.

**Data Collection: Local:** Reduced from 2007 because the interest in the program has not been as extensive as anticipated.

**Data Collection: Equipment:** Reduced by \$40,000 from the 2007 budget because we have replaced all of the original computers purchased when the program was first started.

**Data Collection: Vehicle Costs:** Reflects the costs for driving 80,500 miles (both federal-aid eligible and local); uses the current mileage rate allowed in the MDOT Travel Rates for 2004; is used primarily for emergency vehicle needs rather than for fuel.

**Data Services:** The pilot project program is currently on hold because there was not much interest in them as anticipated.

**Data Agency Activities:** Reflects the same amount as previous years for the contract the Council has with the Center for Geographic Information and for support activities for the Council's server.

**MPO/RPO Council Related Activities:** There had been a 5% increase for this but has been eliminated primarily because only 75% of the allocation was being used.

Mr. Slattery asked for questions and approval of the amended 2008 and approved 2009 budgets; no questions were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Scalici to approve the amended 2008 and approved 2009 budgets. Motion carried on a unanimous voice vote.

VI. **PUBLIC COMMENTS**

Chair Wahby asked if any member of the audience wanted to address the Commission; none were forthcoming.

Chair Wahby asked if any Commissioner wanted to address the Commission.

Commissioner Atkinson thanked everyone for waiting until her arrival.

No other comments were forthcoming.

**ADJOURNMENT**

There being no further business to come before the Commission, Chair Wahby declared the meeting adjourned at 10:45 a.m.

The next full meeting of the Michigan State Transportation Commission will be held on August 23, 2007, in the 1<sup>st</sup> floor Bureau of Aeronautics Auditorium in Lansing, Michigan, beginning at the hour of 9:00 a.m.

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Frank E. Kelley  
Commission Advisor